

AMENDED IN SENATE APRIL 9, 2012

SENATE BILL

No. 1466

Introduced by Senator De León

February 24, 2012

An act to ~~amend Section 18872 of the Revenue and Taxation Code, relating to taxation;~~ *add and repeal Section 69432.75 of the Education Code, relating to student financial aid.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1466, as amended, De León. ~~Personal income taxes: voluntary contributions.~~ *Student financial aid: Cal Grant Program eligibility.*

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant A and B Entitlement Awards, the California Community College Transfer Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. The Cal Grant Program establishes different maximum household income levels for recipients of each of those Cal Grant awards.

This bill would, commencing with the 2014–15 academic year, and notwithstanding those different maximum household income levels, require the maximum household income level for all Cal Grant recipients to be no greater than \$150,000, as specified. The bill would repeal this provision when all funds in the Higher Education Investment Tax Credit Program Special Fund, which would be established by another bill, are expended. The bill also would make specified findings and declarations relating to the need to fund postsecondary education.

This bill would become operative only if SB 1356 is enacted and takes effect on or before January 1, 2013.

~~Existing law states that it is the intent of the Legislature to encourage persons who prepare tax returns, as specified, to inform their clients, in writing, that they may make a voluntary contribution to specified funds or programs as provided on the state income tax return.~~

~~This bill would make a technical, nonsubstantive change to this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. The Legislature finds and declares all of the*
- 2 *following:*
- 3 *(a) In addressing California's fiscal crisis, state budget solutions*
- 4 *over the last several fiscal years have included deep cuts and*
- 5 *payment deferrals that have decimated billions of dollars in funding*
- 6 *for all segments of postsecondary education.*
- 7 *(b) In 2000, the state contributed 18.6 billion dollars to public*
- 8 *postsecondary education, and this funding has declined every year*
- 9 *since then. In the 2010–11 fiscal year, the state contributed 12.4*
- 10 *billion dollars to postsecondary education.*
- 11 *(c) The share of expenditures borne by students in the form of*
- 12 *fees has tripled, from 13 percent in 2000, to 40 percent in 2011,*
- 13 *making a public postsecondary education unaffordable for the*
- 14 *middle class. Most middle income students are leaving school*
- 15 *thousands of dollars in debt, and they end up sending monthly*
- 16 *payments to out-of-state banks rather than contributing to the local*
- 17 *economy.*
- 18 *(d) With less access to postsecondary education due to courses*
- 19 *being cut, each year students are taking longer and longer to*
- 20 *graduate. It now takes the average student 7 years to graduate*
- 21 *from a California Community College, 6.5 years to graduate from*
- 22 *a California State University, and 4.5 years to graduate from a*
- 23 *University of California.*
- 24 *(e) Educational attainment levels predict the overall economic*
- 25 *performance of states and nations. California was always among*
- 26 *the top states in degree-completion rates, but it now ranks among*
- 27 *the bottom 10 states.*

1 (f) By 2018, 63 percent of all of jobs in the United States will
2 require some form of postsecondary education or training,
3 according to estimates by the Georgetown University Center on
4 Education and the Workforce. The United States is on track to
5 deliver only a fraction of this education. Currently, only 38 percent
6 of America's young adults have a college degree, compared to 58
7 percent in South Korea.

8 (g) California's postsecondary education system has helped
9 build and sustain an entrepreneurial spirit that has shaped new
10 sectors of the state's economy. During tough times like these, we
11 need novel approaches to steer the state back on track.

12 (h) Estimates show that the Higher Education Investment Tax
13 Credit Program Special Fund will be fully subscribed for each of
14 the five years of the program, allowing the California Student Aid
15 Commission to expand eligibility for Cal Grant awards for middle
16 class families.

17 (i) All Californians deserve access to an affordable
18 postsecondary education.

19 SEC. 2. Section 69432.75 is added to the Education Code, to
20 read:

21 69432.75. (a) Commencing with the 2014–15 academic year,
22 and notwithstanding subdivision (k) of Section 69432.7, the
23 maximum household income for all Cal Grant recipients shall be
24 no greater than one hundred fifty thousand dollars (\$150,000),
25 which shall be calculated in a manner that is consistent with the
26 requirements applicable to this chapter and Section 69506.

27 (b) This section shall remain in effect only until all funds in the
28 Higher Education Investment Tax Credit Program Special Fund
29 are expended, and as of that date is repealed, unless a later enacted
30 statute, that is enacted before all funds in the Higher Education
31 Investment Tax Credit Program Special Fund are expended, deletes
32 or extends that period.

33 SEC. 3. This act shall become operative only if Senate Bill
34 1356 is enacted and takes effect on or before January 1, 2013.

35 SECTION 1. ~~Section 18872 of the Revenue and Taxation Code~~
36 ~~is amended to read:~~

37 ~~18872. The Legislature finds and declares that it is important~~
38 ~~to inform taxpayers of their ability to make voluntary contributions~~
39 ~~to certain funds or programs, as provided on the state income tax~~
40 ~~return. The Legislature further finds and declares that many~~

1 ~~taxpayers remain unaware of the voluntary contribution check-offs~~
2 ~~on the state income tax return. Therefore, it is the intent of the~~
3 ~~Legislature to encourage all persons who prepare state income tax~~
4 ~~returns to inform their clients in writing, prior to the completion~~
5 ~~of any tax return, that they may make a contribution to any~~
6 ~~voluntary contribution check-off on the state income tax return if~~
7 ~~they so choose.~~

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